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THE FARM LAND MARKET IN SEVEN NORTH CENTRAL STATES

October - March 1947-48 ^{1/}

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Increase in Sale Prices

Sale prices of farm land continued to increase during the semiannual period (table 1). The average price per acre in all sample counties was 114 percent of the price in the corresponding period of 1946-47. The average price for 1947 was 138 percent of the 1943 sale price in these counties, and 115 percent of the price in 1946.

In most of the counties sale prices were higher in 1947 than in 1946. In six counties, the average price during the recent period was the same or less than that in the same period a year ago. The largest decreases were in Noble County, Indiana and Clarke County, Iowa; in these counties the average price during the first quarter of 1947 was considerably greater than in either quarter of the current semiannual period. Of the sample counties, the price was highest in Champaign County, Illinois and Story County, Iowa; the average in those counties was \$300 and \$206 an acre, respectively.

Summaries of transfers which had been sold at least once previously since 1940 were made for six counties. Fourteen percent of the tracts in these counties had been sold within the preceding 24 months and 28 percent of them had been sold since 1940 (table 2). These percentages are a little higher than for resales made during the preceding 6 months. Between counties, the percentage that resales were of all sales varied from 3 to 25 percent for 24 months and 10 to 42 percent for resales made since 1940. Data as to prices are available for both purchase and sale for 52 of the 86 resales made within 24 months. The price increase averaged 20 percent for all resales. Between counties, the average price increase varied from 4 percent in McHenry County, Illinois to 58 percent in Norman County, Minnesota.

Number of Transfers Declines

In the 21 counties there were 1,793 voluntary transfers during the 6 months (table 3). This was about 96 percent as many as in the same 6 months in 1946-47 and 84 percent of the number in the same period of 1943-44. However, about half of the counties had larger numbers in 1947-48 as compared with 1946-47, so there was no general consistency between the counties with respect to decreased volume.

^{1/}This report is based on recordings of farm real estate transfers in the county offices, supplemented by buyer and seller information obtained from other sources. The statement is for the semiannual period October-March, 1947-48. Agricultural experiment stations in all the States cooperated in the collection of the data.

The greatest volume of increase over previous periods was found in Minnesota counties, and the largest decrease was in Ohio counties. The counties in most of the other States maintained about the same volume as in the October-March period for 1946-47.

Proportion of Cash Sales Remains the Same

About 49 percent of the sales were made with a full cash payment (table 4). Sellers held mortgages on 9 percent of the transfers and 42 percent of the sales were partially financed with other kinds of mortgages. These percentages were 50, 9, and 41 respectively, in the corresponding period a year ago. Marked differences were found between counties in kinds of financing and comparative figures now and last year.

Buyer's equity in encumbered transfers at time of transfer averaged 47 percent for all counties; this was 1 percent more than a year ago (table 4). Equities varied from 32 percent in Monroe County, Missouri to 59 percent in Emmet County, Michigan.

Individuals furnished 35 percent of the credit, insurance companies 26 percent, commercial banks 25 percent, and Federal land banks 6 percent (table 5). These percentages did not differ much from those of the same 6 months a year earlier. As usual, sources of credit varied greatly between counties.

In 14 counties for which data are available, 46 percent of the mortgages were for 5 years or less. Only 15 percent of the loans were for 20 or more years; these were mostly by Federal land banks and insurance companies. All except 7 percent of the loans by individuals were for 10 years or less and only 11 percent of the loans by commercial banks were for more than 10 years. Of the loans by insurance companies, 67 percent were for more than 10 years.

Forty-six percent of the loans in the 14 counties were for 4 percent interest or less and 70 percent were made at 5 percent or less. Eleven percent of the loans by individuals and 8 percent of those by commercial banks were at rates above 5 percent. Of the loans by commercial banks, 87 percent were at rates of 5 or 4 percent, the former rate predominating. Insurance companies made 58 percent of their loans at a rate of 4 percent. Following is the distribution of loans by rates of interest for the period October-March, 1947-48:

Type of lender	Mortgages:	3%	3½%	4%	4½%	5%	5½%	6% or more
	No.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Individuals	145	10	7	34	4	34	1	10
Commercial banks	104	0	0	35	5	52	1	7
Insurance co's.	26	0	0	58	15	11	0	16
FLB and LEC	12	0	0	75	0	0	0	25
Others	18	0	0	28	33	33	0	6
Totals	305	5	3	38	7	36	1	10

Little Change in Kinds of Sellers

Relative importance of kinds of sellers in the 21 counties was about the same as that of a year ago (table 6). Individuals made 86 percent of the sales, estate settlements 10 percent, and corporations 4 percent. The proportion of sales by corporations varied between counties from 0 to 23 percent; the range between counties for estates was 0 to 24 percent, and for individuals it was 67 to 98 percent of all sales.

No Significant Change in Kinds of Buyers

Farmers who were owner-operators before buying additional land, made 46 percent of the purchases. This percentage was the same as that a year ago. Tenants bought 20 percent and other farmers bought 12 percent of all tracts transferred. Nonfarmers comprised 22 percent of all buyers compared with 25 percent in the same 6 months of 1946-47.

Table 1. - Price per acre of farm land sold in 21 North Central counties,
1943 to 1948 1/

Selected counties	Annual average					October- March	October- March
	1943	1944	1945	1946	1947	1946-47	1947-48
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Illinois							
Champaign	158	139	261	239	269	276	300
Clinton	48	67	66	67	88	73	78
McHenry	118	136	138	155	175	170	189
Ogle	103	116	125	132	146	144	183
Indiana							
Jennings	28	26	36	42	41	42	46
Newton	81	54	66	86	112	93	119
Noble	60	79	82	96	105	104	94
Iowa							
Clarke	37	50	48	57	58	64	55
Fayette	62	72	75	31	94	99	99
Story	130	148	152	154	171	165	206
Michigan							
Emmet	-	24	26	32	32	28	38
Gratiot	62	64	74	80	90	94	110
Lenawee	71	87	102	120	125	128	126
Minnesota							
Norman	24	21	24	26	30	28	34
Steele	74	76	81	86	86	96	95
Missouri							
Monroe	24	25	32	30	40	37	44
Nodaway <u>2/</u>	53	58	59	64	76	65	82
Ohio							
Darke	102	115	139	152	176	165	173
Madison	99	98	116	118	140	141	141
Muskingum	36	44	44	44	50	46	50
Wayne	84	95	102	126	138	140	154
Average all counties	70	72	80	84	97	96	109

1/Prices are from recorded farm real estate transfers; they are the averages for the transfers for which adequate information concerning price and acreage was available. The data were summarized on a quarterly basis and the quarters added together for annual and semiannual figures. Prices are for those transfers for which the date of the agreement for sale was within the quarter or the preceding month.

2/Data for Nodaway County are not available for the first 6 months of 1947; thus 1947 annual figures for this county include only the last 6 months of the year and the October-March 1946-47 figures for Nodaway in all tables include only the 4th quarter of 1946.

Table 2. - Number of resales and change in sale price for 6 North Central counties, October - March 1947-48 1/

Selected counties	: All : : : ^{2/}				
	: sales : <u>Proportion of all sales</u> : <u>Change in selling price</u>				
	: : <u>Resold with-</u> : <u>Resold since</u> : : <u>Price</u>				
	: : <u>in 24 months</u> : <u>Dec. 31, 1940</u> : <u>Classified</u> : <u>increase</u>				
	<u>Number</u>	<u>Percent</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
McHenry, Illinois	79	10	22	4	4
Jennings, Indiana	100	25	42	14	20
Fayette, Iowa	91	19	40	10	30
Norman, Minnesota	118	11	14	10	58
Steele, Minnesota	85	4	10	2	7
Wayne, Ohio	126	16	36	12	9
All counties	599	14	28	52	20

1/Based on current transfers which had been sold at least once previously since December 31, 1940; the most recent previous sale was used for date and price.
2/Resales within 24 months.

Table 3. - Number of voluntary transfers of farm real estate in 21 North Central counties, October - March, 1944, 1947, and 1948 1/

Selected counties	October to March		
	1943-44	1946-47	1947-48
	<u>Number</u>	<u>Number</u>	<u>Number</u>
Illinois			
Champaign	52	21	23
Clinton	25	38	42
McHenry	29	85	79
Ogle	51	62	72
Indiana			
Jennings	129	129	100
Newton	29	43	35
Noble	38	52	46
Iowa			
Clarke	103	81	72
Fayette	133	120	91
Story	58	62	77
Michigan			
Emmet	24	43	45
Gratiot	152	95	115
Lenawee	201	145	141
Minnesota			
Norman	69	61	118
Steele	80	57	85
Missouri			
Monroe	176	161	100
Nodaway	203	46	113
Ohio			
Darke	249	169	190
Madison	94	63	44
Muskingum	70	173	79
Wayne	158	159	126
All counties	2,123	1,870	1,793

1/Includes bona fide sales recorded during each quarter and transferred during the quarter or month preceding.

Table 4. - Kind of financing and buyer's equity in encumbered transfers, 21 North Central counties, October-March 1946-47 and 1947-48

Selected counties	Transfers classified		Cash sales		Seller mortgages		Other mortgages		Buyer's equity in encumbered transactions	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
	1946-47	1947-48	1946-47	1947-48	1946-47	1947-48	1946-47	1947-48	1946-47	1947-48
Illinois										
Champaign	17	22	53	68	6	0	41	32	66	58
Clinton	36	37	75	89	3	0	22	11	42	40
McHenry	84	76	42	36	5	2	53	62	49	52
Ogle	62	72	35	42	0	4	65	54	48	49
Indiana										
Jennings	85	75	65	56	7	11	28	33	40	49
Newton	39	34	49	65	15	9	36	26	54	51
Noble	50	46	46	50	6	9	48	41	51	48
Iowa										
Clarke	68	59	41	58	22	27	37	15	47	36
Fayette	107	88	47	42	16	15	37	43	43	43
Story	61	65	43	32	5	0	52	68	47	58
Michigan										
Emmet	25	24	72	83	4	0	24	17	45	59
Gratiot	87	98	63	60	5	10	32	30	51	49
Lenawee	134	126	54	44	10	10	36	46	48	48
Minnesota										
Norman	51	97	61	50	8	30	31	20	37	42
Steele	56	82	57	46	13	12	30	42	33	36
Missouri										
Monroe	124	71	45	56	19	6	36	38	32	32
Nodaway	44	98	82	46	0	13	18	41	47	43
Ohio										
Darke	169	190	43	41	7	3	51	56	42	46
Madison	63	44	42	43	6	2	52	55	57	48
Muskingum	178	79	42	46	4	5	53	49	26	34
Wayne	144	117	53	52	12	6	35	42	45	43
All counties	1,684	1,600	50	49	9	9	41	42	46	47

1/ Includes a small number of purchase contracts.

Table 5. - Sources of credit for mortgage financing in 21 North Central counties, October-March, 1946-47 and 1947-48

Selected counties	: Individuals :		: F.L.B. - I.B.C. :		: Insurance : companies :		: Commercial : banks :		: Other 1/ :	
	: 1946-47:1947-48:		: 1946-47:1947-48:		: 1946-47:1947-48:		: 1946-47:1947-48:		: 1946-47:1947-48:	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Illinois										
Champaign	32	29	1	14	49	43	7	14	11	0
Clinton	11	0	0	0	0	0	89	100	0	0
McHenry	46	36	4	2	38	45	8	8	4	9
Ogle	23	33	14	19	41	33	19	13	3	2
Indiana										
Jennings	32	42	0	0	0	0	53	47	15	11
Newton	33	28	10	0	23	50	34	19	0	3
Noble	37	42	12	11	9	23	36	23	6	1
Iowa										
Clarke	28	26	13	4	22	41	29	10	8	19
Fayette	28	40	14	1	43	31	8	27	7	1
Story	10	8	5	22	71	48	14	10	0	12
Michigan										
Emmet	67	76	0	0	0	0	33	24	0	0
Gratiot	39	62	0	0	6	0	55	38	0	0
Lenawee	47	41	1	1	1	9	49	48	2	1
Minnesota										
Norman	38	43	5	9	23	33	25	14	9	1
Steele	57	66	0	0	13	11	25	20	5	3
Missouri										
Monroe	35	58	2	1	26	29	37	11	0	1
Nodaway	70	37	11	10	19	33	0	20	0	0
Ohio										
Darke	38	24	0	2	8	9	48	53	6	12
Madison	29	14	0	9	21	46	38	23	12	8
Muskingum	14	18	3	13	2	0	12	17	69	52
Wayne	41	44	4	0	4	14	40	30	11	12
All counties	34	35	5	6	24	26	28	25	9	8

1/Includes Farmers Home Administration and building and loan associations.

Table 6. - Classification of sellers in 21 North Central counties, October-March,
1946-47 and 1947-48

Selected counties	Transfers		Individuals		Estates		Corporations	
	classified							
	1946-47	1947-48	1946-47	1947-48	1946-47	1947-48	1946-47	1947-48
	<u>No.</u>	<u>No.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>
Illinois								
Champaign	17	23	88	87	6	13	6	0
Clinton	38	42	76	76	24	24	0	0
McHenry	85	63	97	90	2	8	1	2
Ogle	42	72	79	88	19	12	2	0
Indiana								
Jennings	129	100	95	96	2	0	3	4
Newton	43	35	89	89	9	11	2	0
Noble	52	46	75	85	25	13	0	2
Iowa								
Clarke	81	72	79	80	7	10	14	10
Fayette	120	91	85	95	2	0	13	5
Story	62	77	80	81	10	18	10	1
Michigan								
Emmet	43	45	100	96	0	2	0	2
Gratiot	50	115	98	96	2	3	0	1
Lenawee	145	141	92	87	6	6	2	7
Minnesota								
Norman	61	118	66	67	15	10	19	23
Steele	57	85	100	93	0	2	0	5
Missouri								
Monroe	161	100	80	93	15	7	5	0
Nodaway	46	42	98	98	2	0	0	2
Ohio								
Darke	169	190	81	79	19	21	0	0
Madison	63	44	73	84	27	16	0	0
Muskingum	178	70	78	76	20	23	2	1
Wayne	159	126	91	88	9	12	0	0
All counties								
1,801	1,706	85	86	11	10	4	4	

Table 7. - Classification of buyers prior to purchase in 21 North Central counties, October - March, 1946-47 and 1947-48

Selected counties	: Transfers		: Owner-		: Tenants		: Other		: Non-	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Illinois										
Champaign	15		18							
Clinton	34		36							
McHenry	28		25							
Ogle	33		42							
Indiana										
Jennings	72		99							
Newton	31		13							
Noble	35		40							
Iowa										
Clarke	70		64							
Fayette	99		68							
Story	38		67							
Michigan										
Emmet	11		8							
Gratiot	14		16							
Lenawee	64		134							
Minnesota										
Norman	33		107							
Steele	46		79							
Missouri										
Monroe	110		86							
Nodaway	11		2							
Ohio										
Darke	144		161							
Madison	54		40							
Muskingum	149		73							
Wayne	124		112							
All counties	1,215		1,290							

1/Includes part-owners.
2/Laborer, son, etc.

